



Name :

Roll No. :

Invigilator's Signature :

CS/B.TECH(FT)/SEP.SUPPLE/SEM-7/HU-702/2012

2012

ENGINEERING ECONOMICS

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) When total utility is maximum, marginal utility is
 - a) positive
 - b) negative
 - c) zero
 - d) either zero or negative.
- ii) For two perfectly substitute goods an indifference curve is
 - a) L shaped
 - b) convex to the origin
 - c) concave to the origin
 - d) straight line.
- iii) Perfect competition can be characterized by a
 - a) small No. of firms and product homogeneous
 - b) large No. of firms and product homogeneous
 - c) large No. of firms and product differentiation
 - d) single firm and product differentiation.



- iv) In general the objective of a consumer is to
 - a) maximize the utility
 - b) minimize the utility
 - c) maximize the budget and minimize utility
 - d) none of these.
- v) Production function depicts the relationship between
 - a) input and output b) demand and supply
 - c) both (a) and (b) d) none of these.
- vi) Monopolistic competition can be characterised by a
 - a) small No. of firms and product homogeneous
 - b) large No. of firms and product differentiation
 - c) large No. of firms and product homogeneous
 - d) single firm and product differentiation.
- vii) Market equilibrium means
 - a) balance between demand & supply of a commodity
 - b) balance between elasticity of demand & elasticity of supply of a commodity
 - c) balance between price of a commodity and supply of a commodity
 - d) balance between No. of buyers and No. of sellers in the market.
- viii) Isoquant in general cases is
 - a) positively sloped b) L shaped
 - c) negatively sloped d) none of these.
- ix) Elasticity of demand for a necessary good is
 - a) equal to one b) greater than one
 - c) less than one d) zero.



- x) A monopolist operators when
- a) Price elasticity of demand > 1
 - b) Price elasticity of demand < 1
 - c) Price elasticity of demand $= 1$
 - d) Price elasticity of demand $= 0$.
- xi) In order to control the inflation, RBI
- a) decreases CRR b) increases CRR
 - c) does not change CRR d) decreases SLR.
- xii) If the cross elasticity of demand is negative then the commodities are
- a) Giffen b) substitutes
 - c) complements d) normal.
- xiii) The demand curve of the oligopolist has a kink because he expects
- a) competitor's uncertain behaviour
 - b) competitor's certain behaviour
 - c) demand broken
 - d) none of these.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Why is supply curve upward rising and demand curve is downward sloping ?
3. Define income elasticity of demand. What are the values of income elasticities for luxury and necessary goods ?
4. Define the concept of GDP and GNP. Give example.
5. Write down the properties of indifference curves.
6. Define concept of elasticity.



GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7.
 - a) Define National Income.
 - b) Describe the various methods of measuring National Income.
 - c) Mention the difficulties in counting National Income.

$2 + 10 + 3$
8.
 - a) State the main features of perfect competition.
 - b) Explain the price and output determination under perfect competition.

$5 + 10$
9.
 - a) Define the concept of liberalisation of Indian economy.
 - b) Discuss the advantages and disadvantages of privatization of Indian industries.

$5 + 10$
10. What is difference curve ? What are the assumptions of indifference curve ? Explain the properties of indifference curve.

$2 + 5 + 8$
11. Define concept of utility. Distinguish between two types of utility. Explain the law of diminishing marginal utility with assumptions.

$2 + 3 + 10$

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